

DEPARTMENTAL BUDGET INFORMATION FINANCE (23)

MISSION

The mission of the Finance Department is to sustain the City's financial solvency, provide finance-based services to City departments and facilitate economic growth in Detroit through the effective and efficient management of resources and processes that provide essential services, a safer environment and an improved business climate for a World Class City's public and private sector customers.

DESCRIPTION

The Finance Department's principal responsibilities focus upon safeguarding the City's financial position by maximizing revenues, controlling expenditures, managing risk exposure, monitoring debt parameters and reporting financial information.

The Finance Department is comprised of various divisions. The **Administrative** division sets and maintains policies and procedures to be used throughout the Department. The **Assessments, Treasury and Income Tax** divisions of Finance are responsible for property valuation and for collecting property taxes, income taxes and utility users taxes owed to the City. The **Accounts** division is responsible for maintaining accounting controls, the pre-audit of expenditures, and processing all payments including payrolls. The **Purchasing** division is responsible for the processing of City purchase orders and contracts. The **Risk Management** unit protects the assets and earning power of the City from loss or destruction and is responsible for maintaining the self-insurance Risk Management Fund, and this

unit administers various safety programs. The **Debt Management** unit is responsible for financing the City's capital needs and those of quasi-public agencies, and for investing all City funds, excluding Pensions Funds. This division also administers the City's deferred compensation plan. The **Pension** division is responsible for the administration of the employee pension and retirement systems.

MAJOR INITIATIVES

DRMS 11i – The Finance department will implement a cash management module to assist the city in taking advantage of higher returns on its investments. Also, Finance will implement **Noetix Views**, a report generating software for end-users that will provide ad-hoc management reports and require little or no Oracle programming knowledge. Also, with Noetix Views in place we will install **Dashboard** software to allow up-to-date standardized and/or ad-hock DRMS reports to be available at a touch single button. These reporting tools have the capability to integrate DRMS information with other Finance systems such as BARS, Equalizer, and Fixed Assets systems in future implementations.

The Finance department plans to continue the implementation of the new **Office of Targeted Business**. The budgeted staff for Fiscal Year 2003-2004 has been reduced from five full-time positions to three. This is the result of budget cuts. However, this office will work to assist City agencies in developing new strategies to offer contractual opportunities for certified Detroit based, small, minority and women owned business. This will be accomplished

DEPARTMENTAL BUDGET INFORMATION

FINANCE (23)

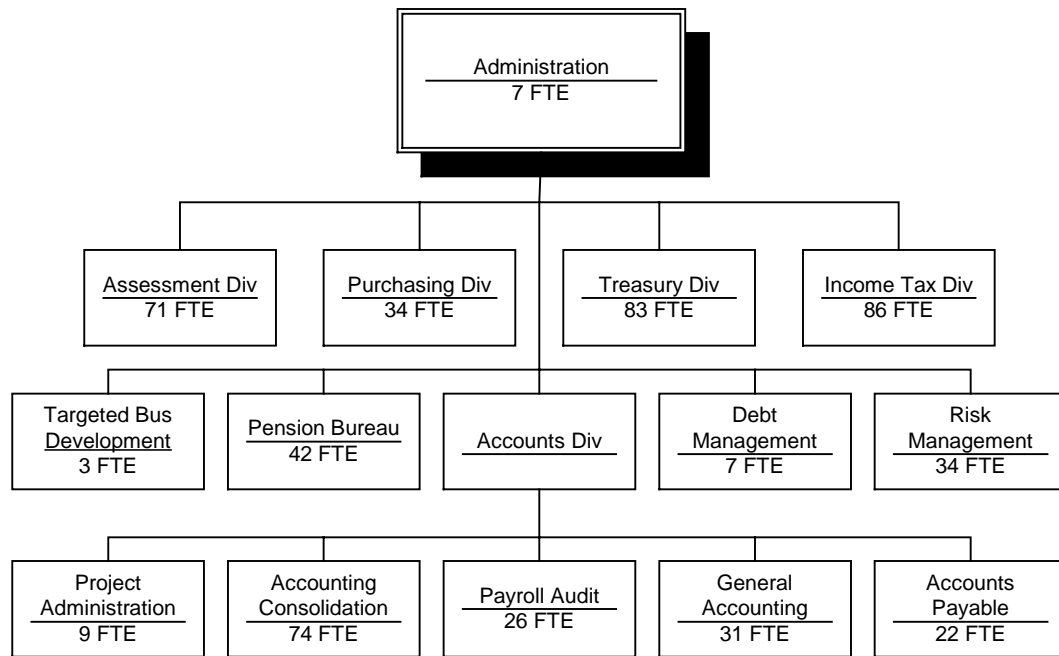
through several proposed initiatives such as public/private partnerships, outreach programs, and mentor ventures/joint ventures.

Finance will assist in the establishment of a **Program Management Office (PMO)**. In 2002 the mayor assembled a team of business professionals, the Committee on Operational and Financial Reengineering (COFR). This committee recommended that the City of Detroit reengineer several of its departments one at a time. The PMO will be a unit dedicated to insuring that every aspect of the reengineering effort is well managed and coordinated across departments. This office is located in the Non-Departmental (35) budget.

PLANNING FOR THE FUTURE

The Finance department will complete a study in 2003-2004 of the entire City of Detroit finance function. During the upcoming fiscal year consultants will work with finance department staff and conduct interviews, focus groups, and/or survey key personnel at virtually all city departments. The group will determine which employees throughout the city are performing duties that should be conducted by Finance Department employees. The group will make recommendations to reorganize as necessary to insure that the Chief Financial Officer has control over the Finance Function.

DEPARTMENTAL BUDGET INFORMATION FINANCE (23)



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PERFORMANCE GOALS, MEASURES AND TARGETS

Goals: Measures	2001-02 Actual	2002-03 Projection	2003-04 Target
Improve the City's financial position by managing exposure to risk: Timely investigation of all accident reports	2.0 days	2.0 days	2.0 days
Improve payment processing time by upgrading systems and continuously improving internal operations: Percent of valid invoices paid in 45 days	99%	100%	100%
Facilitate business development and economic growth by providing timely and accurate analysis and arrangements: Vendor payments processed	207,377	150,000	150,000
Add value for our customers and stakeholders through the effective, efficient management and Safeguarding of the City's financial activities, Assets and human resources: Percent of current property tax levy collected in current year	87%	88%	91%

DEPARTMENTAL BUDGET INFORMATION
FINANCE (23)

EXPENDITURES

	2001-02		2003-04		
	Actual	2002-03	Mayor's	Variance	Variance
	Expense	Redbook	Budget Rec		Percent
Salary & Wages	\$ 19,630,330	\$ 22,280,551	\$ 21,871,533	\$ (409,018)	-2%
Employee Benefits	10,172,346	11,170,817	12,811,245	1,640,428	15%
Prof/Contractual	3,918,020	4,726,669	4,282,862	(443,807)	-9%
Operating Supplies	387,880	807,225	837,598	30,373	4%
Operating Services	5,497,332	5,370,779	5,891,653	520,874	10%
Capital Equipment	806,603	57,113	32,032	(25,081)	-44%
Capital Outlays	149,525	-	-	-	0%
Fixed Charges	439,172	367,276	415,911	48,635	13%
Other Expenses	103,262	329,600	335,130	5,530	2%
TOTAL	\$ 41,104,470	\$ 45,110,030	\$ 46,477,964	\$ 1,367,934	3%
POSITIONS	517	554	529	(25)	-5%

REVENUES

	2001-02		2003-04		
	Actual	2002-03	Mayor's	Variance	Variance
	Revenue	Redbook	Budget Rec		Percent
Fines/Forfeits/Penalties	\$ 36,912	\$ 23,000	\$ 33,220	\$ 10,220	44%
Sales & Charges	5,617,736	7,298,202	7,491,553	193,351	3%
Sales of Assets	288	2,000	2,000	-	0%
Miscellaneous	454,705	250,526	314,140	63,614	25%
TOTAL	\$ 6,109,641	\$ 7,573,728	\$ 7,840,913	\$ 267,185	4%

**DEPARTMENTAL BUDGET INFORMATION
FINANCE (23)**

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